



Sustainable Device Leadership

NOKIA

Kai Öistämö

**Executive Vice President & General Manager
Mobile Phones**

Agenda



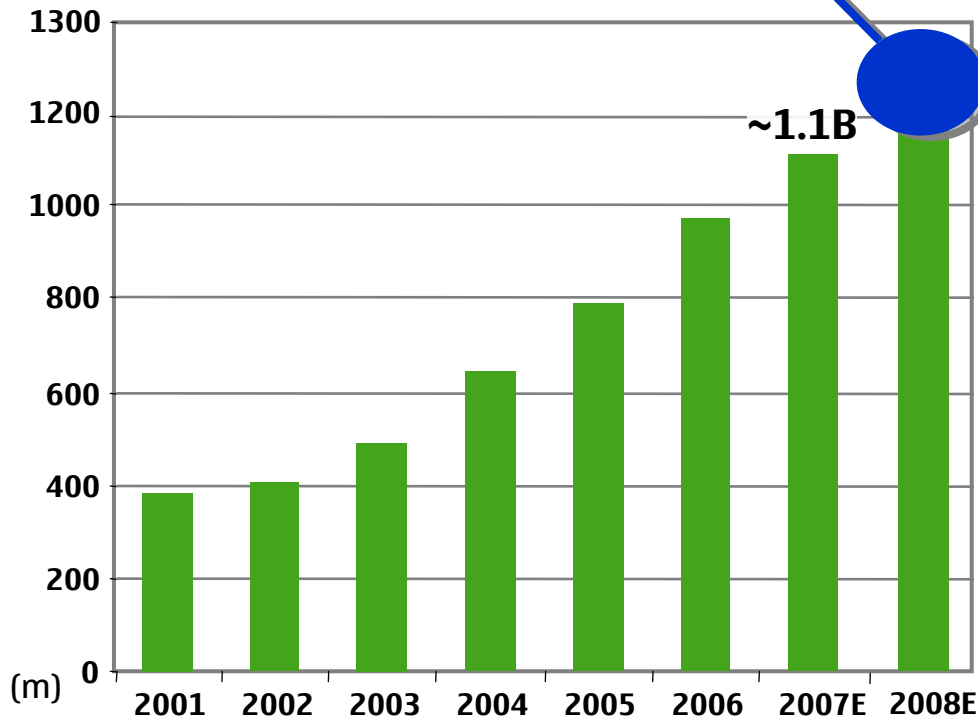
Business environment development
Nokia Winning Devices strategy
Benefits of Devices unit
Topical items
Conclusions

Nokia forecasts for the mobile device market

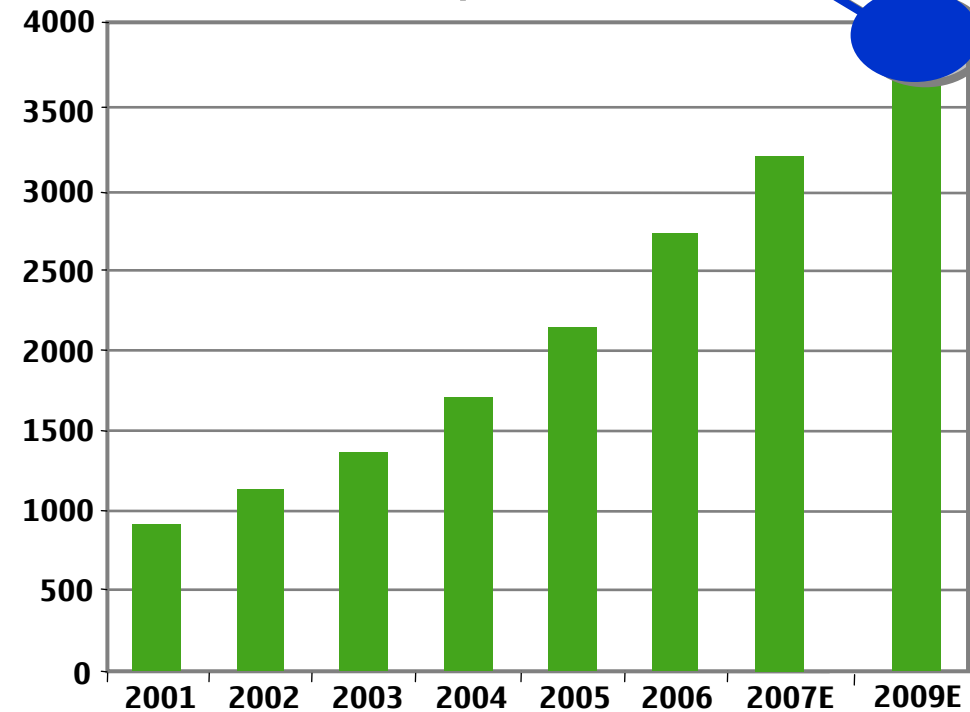
2008: Approximately 10% growth

2009: 4 billion subscriptions

Device Units



Mobile Subscriptions



2008E: Value growth in mobile device market, but industry ASPs down

Source: Nokia estimates

Key Developments in the Business Environment



Consolidation in markets

New competitors

Converged devices

Internet mobilization

Nokia Winning Devices Strategy



Push for **affordability** – Expand entry markets
Create value for consumers and operators
- **master** mid-range

Eseries – Devices that **mobilize** businesses

Drive new **value** with multimedia computers

Benefits of Devices Unit



Topical Items

NOKIA

North America Update

A photograph of a man and a woman in a car. The man is driving, wearing a red shirt and sunglasses. The woman is sitting next to him, looking out the window. The car is moving, as indicated by the blurred background.

Success in North America requires full collaboration with operator customers

Portfolio development planned to continue



2006



2007

Stronger
portfolio

More
experiences

Evolved
design

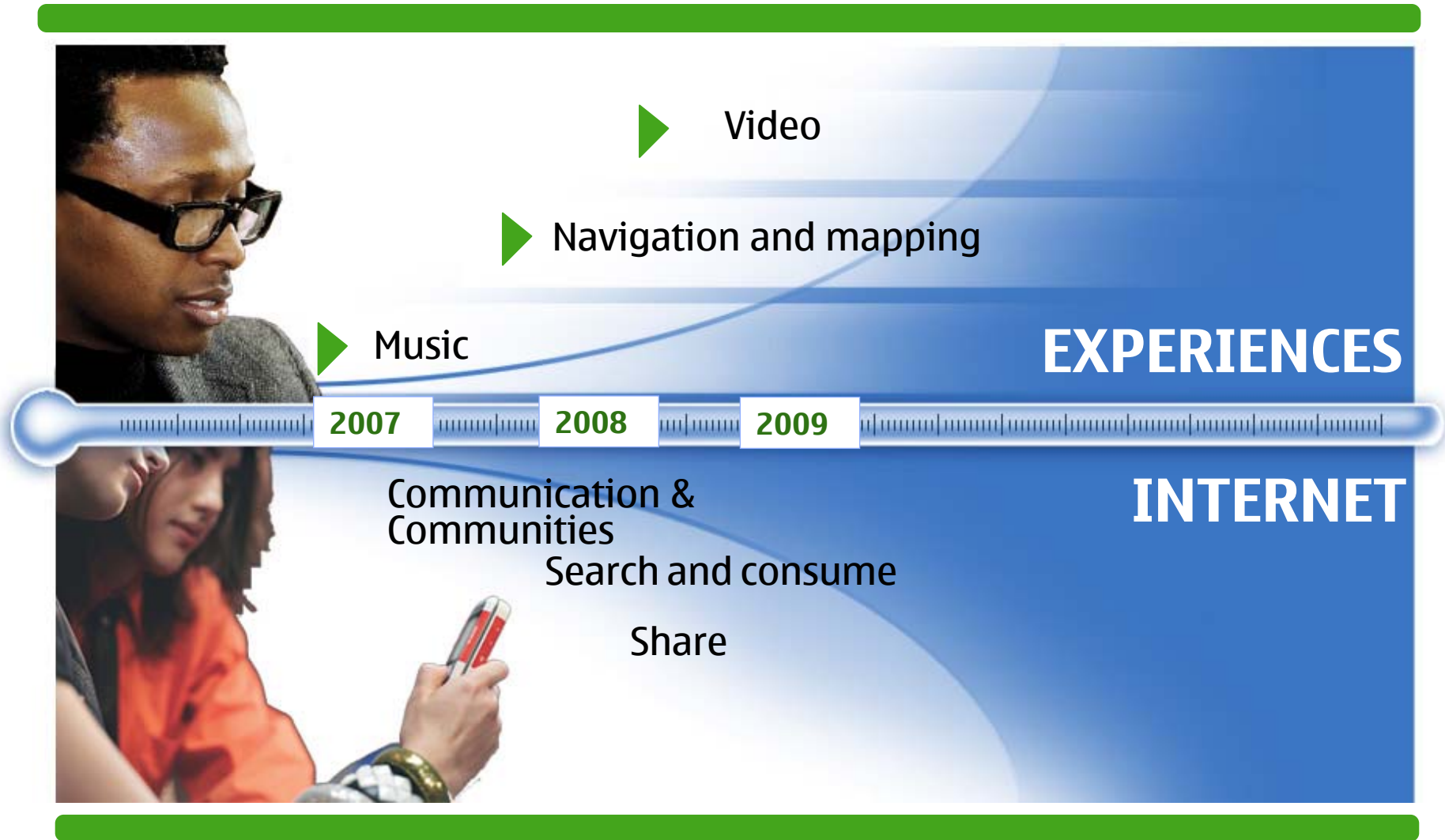
Lower cost

UI

2008

NOKIA

Mobile Experiences expected to reach Mass Market



Ovi: One-stop Destination for Communities, Content and Nokia Services



Games



Music



Video & TV



Contacts



Maps



Photos



Internet



NOKIA

Environmental Leadership

Services advocating sustainable
consumer behavior
Environmentally friendly products
Responsibility for
the extended corporation



Conclusions

Our strategy is clear.

Our organization fits the strategy.

We aim to continue to strengthen our portfolio.





Thank you.

NOKIA
Connecting People

A photograph of two people playing table tennis on an outdoor table. The person on the left is wearing a grey long-sleeved shirt and dark pants, holding a red paddle. The person on the right is wearing a red and blue plaid shirt, also holding a paddle. A white ball is in the air near the center of the table. The background is a paved outdoor area.

Value-driven technology management

NOKIA

Niklas Savander
Executive Vice President
Technology Platforms & Nokia Design

Outline

1
Thinness done
right

2
Shift towards
commercial
technology

3
Increased
investments in
software

4
Touch UI for
mass volumes

1
**Thinness
done right**

2
Shift towards
commercial
technology

3
Increased
investments in
software

4
Touch UI for mass
volumes

Thinness done **right**



Essentials for creating slim products

- Market understanding & portfolio planning
- Technology
- Implementation capability

Developments & Future Goals

- Battery-next-to-engine architecture – implemented
- ~20% reduction in size of next generation chipsets in 2008
- Introducing double-sided 3G engine in 2008
- Continuous size reduction of technology modules

1
Thinness done right

2
**Shift towards
commercial
technology**

3
Increased
investments in
software

4
Touch UI for mass
volumes

Chipset strategy: Investing in **modem technology** and focusing on broader **leverage** of external **innovation**

STRATEGY DRIVERS

- Market requirements diversifying
- Horizontalization of chipset supply increasing, capital intensity increasing
- World class multimode modem assets remaining in the hands of few, and carrying a lot of value

1. Invest in modem technology leadership

2. Move from in-house chipset design to commercial supply

Expected financial impact

In-house
chipset R&D



Variable costs



Licensing
revenues



Adaptation layer brings **scale advantages**

S30

S40

S60

Linux

Hardware-software adaptation layer and specified interfaces

Scale advantages

- Multiple suppliers ensuring supply, flexibility, quality and cost
- Component re-use across device portfolio
- Cumulative investment for adding new components reduced

External Innovation

- Flexible utilization of market specific solutions
- Key innovations fast to wide product range
- Long term relationship and growth strategy with leading suppliers

Chipset

Camera

Display

Audio

GPS

Other

1
Thinness done right

2
Shift towards
commercial
technology

3
**Increased
investments in
software**

4
Touch UI for mass
volumes

Software strategy

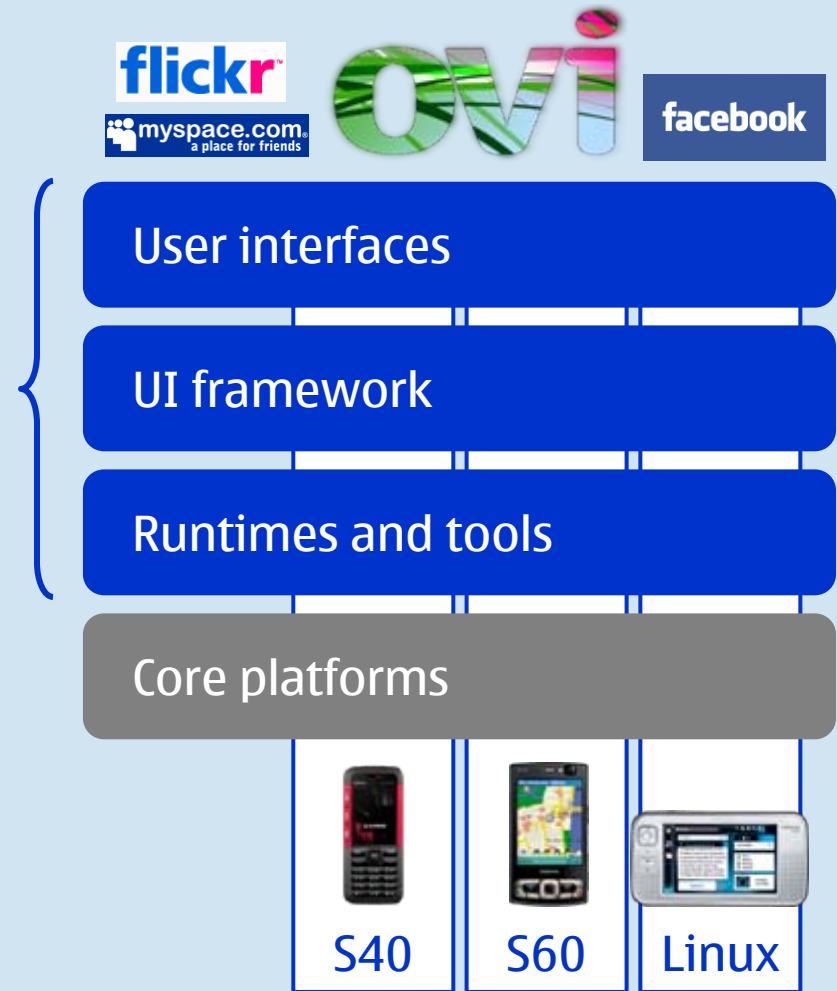
– leverage **higher abstraction level** in software development

1. Simplified development environment for Nokia and 3rd parties

- Rapid Web 2.0 development
- High development productivity
- Volume platform for services

2. Leverage open source innovation

3. Enable broad portfolio of products



Software strategy

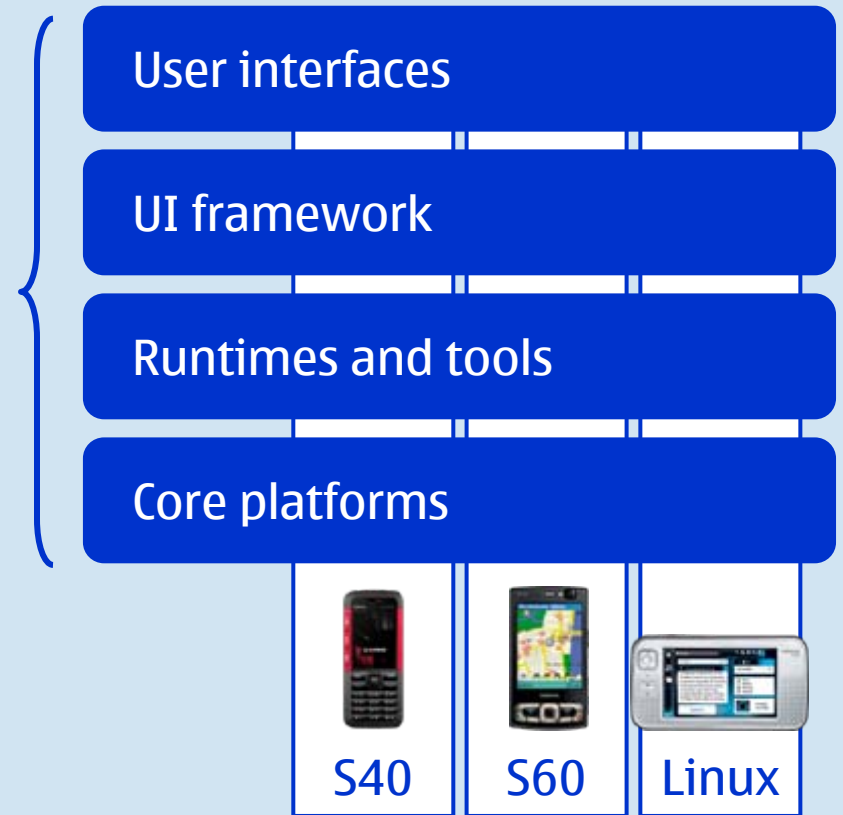
– leverage **open innovation**

1. Simplified development environment for Nokia and 3rd parties

2. Leverage open source innovation

- Innovation accelerators
 - Web application environment
 - Application development tools
- Scale benefits
 - Common multimedia platform
 - Common SW code libraries

3. Enable broad portfolio of products



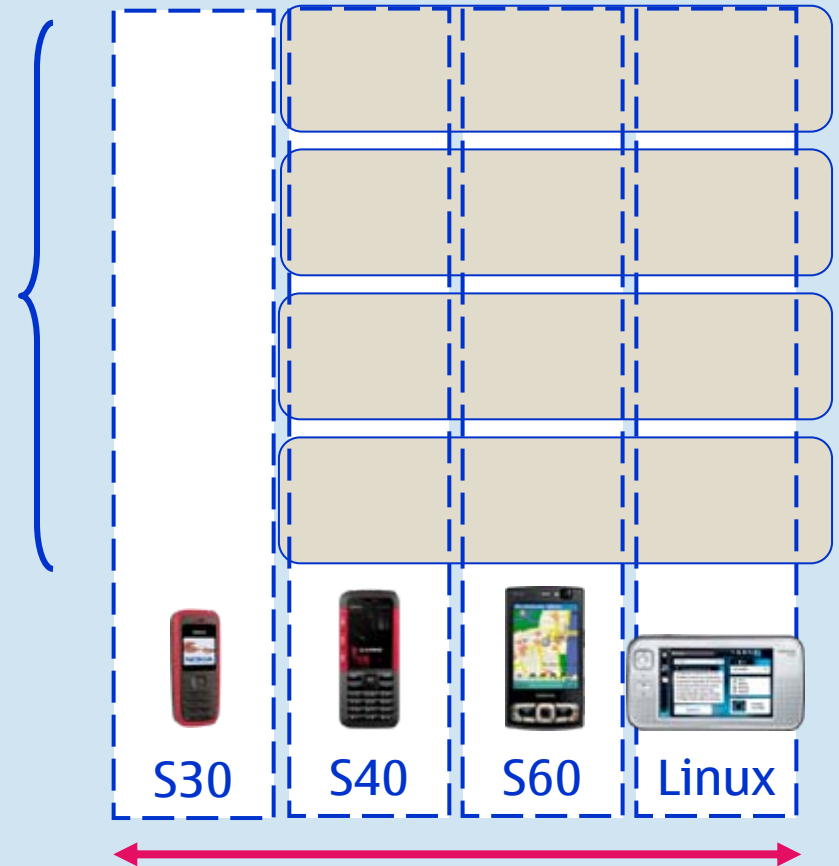
Software strategy

– optimize for **consumer needs** through multiple core platforms

1. Simplified development environment for Nokia and 3rd parties
2. Leverage open source innovation both in layers becoming commodity and innovation layers

3. Enable broad portfolio of products

- Support multiple core platforms for diverging needs of different consumers
- Balance product features with product cost



1
Thinness done right

2
Shift towards
commercial
technology

3
Increased
investments in
software

4
**Touch UI for
mass
volumes**

Aligned technology selections for wide portfolio of touch-enabled devices

Touch UI

Application enablers

- Touch-enabled applications
- Running non-touch applications
- Developer APIs, documentation and services

User Interface Design

- Personalization
- Design and usability
- Functionality scaling
- Performance
- Input methods

Hardware modules

- Display technology
- Audio & tactile feedback
- Sensors

Software and hardware architecture

Complete touch-based user experience to mass volumes

Flexible - with or without keyboards

Intuitive - finger and/or stylus

Familiar - fast adoption

Multilingual - including Asian languages

Responsive - tactile feedback

Compatible - backward compatibility



Value-driven technology management

- Thinness is platformized
- Best feature/size fit
- Further improvements planned

1

2

- Continued modem technology leadership
- Multivendor commercial chipset supply
- Neutral financial impact estimate

3

4

- Web 2.0 cross-platform SW layer in progress
- Increasing utilization of open source
- Several core SW platforms to serve segmented consumer needs

- Touch UI being platformized
- Wide and diverse portfolio of touch-enabled devices planned



Thank you.

NOKIA
Connecting People